

§ 58-26-25. Amount of unearned statutory premium reserve.

(a) Repealed by Sessions Laws 2018-38, s. 2.2, effective October 1, 2018.

(a1) A domestic title insurance company shall establish and maintain a statutory premium reserve in an amount equal to \$0.17 per \$1,000 of net retained liability for each title insurance policy which is defined as the total liability retained by a title insurer for a single risk after taking into account any ceded liability. The net retained liability of a simultaneous issue of an owner's policy and a loan policy shall be calculated on the greater coverage amount of the two policies. The amount set aside in the statutory premium reserve shall be released over a period of 20 years, pursuant to the following formula: 30% of the aggregate sum in the year next succeeding the year of addition; 15% of the aggregate sum in the next succeeding year; 10% of the aggregate sum in each of the next succeeding two years; 5% of the aggregate sum in each of the next succeeding two years; 3% of the aggregate sum in each of the next succeeding two years; 2% of the aggregate sum in each of next succeeding seven years; and 1% of the aggregate sum in each of the next succeeding five years. The title insurer shall make authorized releases under this section in equal quarterly amounts on March 31, June 30, September 30 and December 31 annually.

(b) Repealed by Sessions Laws 2018-38, s. 2.2, effective October 1, 2018.

(b1) All amounts held as of December 31, 2018, which are in excess of the requirements of subsection (a1) of this section, shall be released on December 31, 2018, to net profits.

(c) Repealed by Sessions Laws 2018-38, s. 2.2, effective October 1, 2018.

(d) Repealed by Sessions Laws 2018-38, s. 2.2, effective October 1, 2018.

(e) A supplemental reserve shall be established in accordance with the instructions of the annual statement required by G.S. 58-2-165 and G.S. 58-26-10 consisting of the reserves necessary, when taken in combination with the reserve required by subsection (a1) of this section to cover the company's liabilities with respect to all losses, claims, and loss adjustment expenses.

(f) Each title insurer subject to the provisions of this Article shall file with its annual statement required by G.S. 58-2-165 and G.S. 58-26-10 a certification of a member in good standing of the American Academy of Actuaries. The actuarial certification required of a title insurer must conform to the annual statement instructions for title insurers of the National Association of Insurance Commissioners. (1969, c. 897; 1973, c. 1035, ss. 2-4; 1999-383, s. 1; 2002-187, ss. 7.4, 7.5, 7.6; 2018-38, s. 2.2.)